

**In the claims:**

1. (Currently Amended) A method for secure distribution of digital content, the method comprising the steps of: dividing a unit of digital content into at least first and second portions; storing said first portion on a first computerized apparatus; digitally watermarking said second portion; storing said digitally watermarked second portion on a second computerized apparatus; and combining said first portion and said digitally watermarked second portion: thereby forming a watermarked version of said digital content, wherein said dividing step comprises dividing said digital content into at least first and second portions, wherein each of said portions comprises non-contiguous segments of said digital content.

2-4. (Canceled)

5. (Currently Amended), A method for secure distribution of digital content, the method comprising the steps of: dividing a unit of digital content into at least first and second portions; storing said first portion on a first computerized apparatus; digitally watermarking said second portion; storing said digitally watermarked second portion on a second computerized apparatus; and combining said first portion and said digitally watermarked second portion: thereby forming a watermarked version of said digital content. A method according to claim 1, wherein said dividing step comprises dividing said digital content such that either of said first and second portions are

individually inoperable.

6. (Currently Amended) A method according to claim 1A method for secure distribution of digital content, the method comprising the steps of: dividing a unit of digital content into at least first and second portions; storing said first portion on a first computerized apparatus; digitally watermarking said second portion; storing said digitally watermarked second portion on a second computerized apparatus; and combining said first portion and said digitally watermarked second portion: thereby forming a watermarked version of said digital content, wherein said storing said first portion step comprises storing on a proxy server.

7-10. (Canceled).

11. (Currently Amended) A method for secure distribution of digital content, the method comprising the steps of: dividing a unit of digital content into at least first and second portions, wherein said first portion is larger than said second portion, and wherein said dividing step comprises either of: dividing said digital content such that a qualitative measure of either of said first and second portions is degraded relative to a corresponding qualitative measure of said digital content, and dividing said digital content such that either of said first and second portions are individually inoperable; storing said first portion on a first computerized apparatus; storing said second portion on a second computerized apparatus; and combining said first portion and said second portion, thereby recreating said digital content, wherein said dividing step comprises dividing said digital content into at least first and second portions, wherein each of

said portions comprises non-contiguous segments of said digital content.

12. (Canceled)

13. (Currently Amended) A method according to claim 11, A method for secure distribution of digital content, the method comprising the steps of: dividing a unit of digital content into at least first and second portions, wherein said first portion is larger than said second portion, and wherein said dividing step comprises either of: dividing said digital content such that a qualitative measure of either of said first and second portions is degraded relative to a corresponding qualitative measure of said digital content, and dividing said digital content such that either of said first and second portions are individually inoperable; storing said first portion on a first computerized apparatus; storing said second portion on a second computerized apparatus; and combining said first portion and said second portion, thereby recreating said digital content, wherein said storing said first portion step comprises storing on a proxy server.

14-16. (Canceled)

17. (Currently Amended) A system for secure distribution of digital content, the system comprising: means for dividing a unit of digital content into at least first and second portions; means for storing said first portion on a first computerized apparatus; means for digitally watermarking said second portion; means for storing said digitally

watermarked second portion on a second computerized apparatus; and means for combining said first portion and said digitally watermarked second portion, thereby forming a watermarked version of said digital content; wherein said means for dividing is operable to divide said digital content into at least first and second portions, wherein each of said portions comprises non-contiguous segments of said digital content.

18-20. (Canceled).

21. (Currently Amended) ~~A system according to claim 17~~ A system for secure distribution of digital content, the system comprising: means for dividing a unit of digital content into at least first and second portions; means for storing said first portion on a first computerized apparatus; means for digitally watermarking said second portion; means for storing said digitally watermarked second portion on a second computerized apparatus; and means for combining said first portion and said digitally watermarked second portion, thereby forming a watermarked version of said digital content, wherein said means for dividing is operable to divide said digital content such that either of said first and second portions are individually inoperable.

22. (Currently Amended) A system for secure distribution of digital content, the system comprising: means for dividing a unit of digital content into at least first and second portions; means for storing said first portion on a first computerized apparatus; means for digitally watermarking said second portion; means for storing said digitally watermarked second portion on a second computerized apparatus; and means for combining said first portion and said digitally watermarked second portion, thereby

forming a watermarked version of said digital content. A system according to claim 17 wherein said means for storing said first portion is operative to store on a proxy server.

23-26. (Canceled)

27. (Currently Amended) A system for secure distribution of digital content, the system comprising: means for dividing a unit of digital content into at least first and second portions, wherein said first portion is larger than said second portions, said means for dividing being operative to either of: divide said digital content such that a qualitative measure of either of said first and second portions is degraded relative to a corresponding qualitative measure of said digital content, and divide said digital content such that either of said first and second portions are individually inoperable, means for storing said first portion on a first computerized apparatus; means for storing said second portion on a second computerized apparatus; and means for combingcombining said first portion and said second portions thereby recreating said digital content, A system according to claim 17 wherein said means for dividing is operative to divide said digital content into at least first and second portions and wherein each of said portions comprises non-contiguous segments of said digital content.

28. (Canceled)

29. (Currently Amended), A system for secure distribution of digital content, the system comprising: means for dividing a unit of digital content into at least first and

second portions, wherein said first portion is larger than said second portions, said means for dividing being operative to either of: divide said digital content such that a qualitative measure of either of said first and second portions is degraded relative to a corresponding qualitative measure of said digital content, and divide said digital content such that either of said first and second portions are individually inoperable, means for storing said first portion on a first computerized apparatus; means for storing said second portion on a second computerized apparatus; and means for combining said first portion and said second portions thereby recreating said digital content, A system according to claim 27-wherein said means for storing said first portion is operative to store on a proxy server.

30-32. (Canceled)